

**Finance Committee of the
BRISTOL COUNTY WATER AUTHORITY**

**Wednesday, October 9, 2013
450 Child Street, Warren Office, Warren, RI**

The committee meeting was called to order at 5:00 pm.

Executive Director Pamela Marchand, Directors Robert Allio, Raymond Palmieri, Georgina Macdonald and Chairman Klepper were in attendance. Mr. Gene McCabe and Joan Caine of Washington Trust were also present.

Mr. McCabe presented information on the BCWA pension plan investment strategy and responded to questions from the Board.

Director Allio discussed current policy that allows lump sum payments.

Director Macdonald stated that a legal opinion is needed concerning stopping payouts of lump sum payments in order to allow better management of the pension fund.

Chairman Klepper stated that changes may have to be bargained with the union.

Director Allio stated that the recommendation of the finance committee would be for the Executive Director to get a legal opinion concerning lump sum payouts.

Executive Director P. Marchand stated there are pros and cons in terminating the pension plan and a number of issues have to be resolved. As a public pension plan, it has very different legal requirements compared to a private plan. Further information will be provided at the 10/23/13 meeting.

Director Allio stated the current investment policy is currently at a 60-40 allocation.

Mr. McCabe stated that growth stocks have been back in favor in the market, which Washington Trust's preferred investment. However, lump sum distributions must be ready to be paid out with retirements. Mr. McCabe stated he would like more leeway as how to direct the assets and reduce the bonds from the current 40 to 30 percent. The best recommendation would be a 70-30 allocation.

Director Bishop entered the meeting at 5:25 pm.

Director Allio stated that the Committee recommendation would be a 70-30 allocation contingent on the termination of the lump sum payment.

The meeting was adjourned at 5:46 pm.

Allan Klepper
Chairman